

WARNING-UNAPPROVED MINUTES

These minutes have not been reviewed or accepted by the RISLA Board of Directors. This draft is being supplied in order to be in compliance with the State Open Meetings Law. Board approved minutes will be submitted when available.

The 251st meeting of the Rhode Island Student Loan Authority was held on **Friday, February 1, 2008** in the 2nd floor Conference Room, 560 Jefferson Boulevard, Warwick Rhode Island. Dr. Anthony Santoro called the meeting to order at 10:28 A.M.

The following Board members were in attendance:

Dr. Anthony Santoro
Mr. John Howell
Dr. Robert McKenna
Dr. William Croasdale
Mr. Frank Caprio, General Treasurer

Others in attendance:

Mr. Charles P. Kelley, Executive Director, RISLA
Mr. Noel Simpson, Chief Financial Officer, RISLA
Mr. Joseph Palumbo, General Counsel, RISLA
Mr. Xay Khamsyvoravong, Treasurer's Office
Mr. Kevan McAleer, RISLA
Ms. Jennifer Dutch, RISLA
Ms. Gail Mance-Rios, Deputy Director, RIHEAA
Mr. Gregory Silva, RIHEAA
Mr. Daniel Calhoun

Minutes

Dr. Santoro stated that minutes from the January 18th meeting were not yet prepared and will be sent out in the next Board packet.

Chairman's Report

Dr. Santoro had nothing to report.

Executive Director's Report

Mr. Kelley stated that the challenges in the financial market continue. He noted that the currently employed staff at RISLA is the best it's been in eighteen years. One position recently came open for an SQL Database manager and has just been posted. Mr. Kelley stated that the new Bristol office of the CPC is going along well.

#4 - College Planning Center

Mr. Kelley asked everyone to refer to the handout with current statistics of the CPC visits. The CPC has been very busy helping parents and students fill out financial aid forms. Printed FAFSA forms have been hand delivered to libraries all over the state,

both in English and Spanish. Dr. Croasdale asked if the updates that were suggested at the last Board meeting have been added to the webinar. Mr. Kelley stated they are being worked on. Mr. Kelley stated that the ads placed on local television have been very well received and in the next few months ads for RISLA will be on the air also. Dr. Santoro stated that Bristolians are very happy with the new CPC.

#5 – Update: Financial Markets and RISLA

Mr. Kelley stated that the financial subcommittee convened before this Board meeting to discuss several issues. Dr. Santoro reported that there was a failed auction in Missouri. Mr. Simpson indicated it was a small investment firm that was not paying attention on the day of the auction and there were no buyers. The situation has since been corrected. There have been other failed auctions – one by Lehman Brothers last week, but in the housing market for \$25 million, not with education loans.

#6 – Strategic Planning Process

Mr. Kelley handed out information stating that several large and many small education lenders are at least temporarily restricting or eliminating various education loan programs. Information was also given about the Sallie Mae call and its plans to cut out subprime lending to students and concentrate on private loans, and eliminating consolidation loans. Nelnet will not be marketing consolidation loans. NH, CT and IN have stopped making federal consolidation loans, so RISLA may see an uptick in this volume. RISLA may have to scale back on the federal loan program – this will be revisited at the next Board meeting.

Mr. Simpson asked to include a new item. The Department of Education has been auditing student loan providers, of which RISLA was one. Of particular interest was the inducement issue. Mr. Palumbo, Jennifer Dutch, Kevan McAleer and all the managers responded to a myriad of questions and Mr. Simpson is pleased to report that the verbal indications are that RISLA has no problems in this area. Mr. Palumbo stated that there was a lot of documentation needed in a very short period of time and commended everyone for a job well done, and particularly noted the efforts of Ms. Dutch. Mr. Kelley also thanked Mr. Palumbo for his efforts.

#7 – ACTION ITEM: FY2008 RISLA Budget

Dr. Croasdale stated that the financial subcommittee has met on this matter and reviewed the proposed budget. The subcommittee recommends approval of said budget. Dr. Santoro called for a motion, and,

ON MOTION made by Dr. Croasdale and seconded by Dr. McKenna, the budget was unanimously approved.

#8 – ACTION ITEM: Selection of Financial Advisors

Dr. Croasdale stated that the financial subcommittee met and reviewed three submissions for a financial advisor. The subcommittee recommended that two financial advisors be hired: First Southwest and Student Loan. Dr. Santoro called for a motion, and,

ON MOTION made by Mr. Caprio and seconded by Dr. McKenna, the two firms were approved to serve as financial advisors.

#9 & #10: ACTION ITEMS Approval of Bond Issuance Budget and Authorizing Resolution

Dr. Croasdale stated that the finance subcommittee met to discuss the \$64 million bond issuance (item #9) and the expenses for the bond issue for RIFEL loans. The subcommittee recommends authorization of the \$64 million bond issue, with the expenses not to exceed \$564,000. Dr. Santoro called for a motion, and,

ON MOTION made by Mr. Caprio and seconded by Mr. Howell, the resolution was unanimously approved.

#11: Draft of Underwriting RFP

Mr. Kelley stated that the goal is to have a new underwriter on board in time to get liquidity providers lined up. Dr. Santoro noted that this issue does not require any motion.

ON MOTION duly made by Dr. Croasdale and seconded by Mr. Caprio, it was unanimously

VOTED To adjourn.

Adjournment occurred at 11:02 A.M.

John Howell
Secretary